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BEAN MARKET REVIEW

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DRY BEAN SUPPLY SITUATION REMAINS TIGHT WITH SCARCE OFFERINGS

The California dry bean market situation remained very tight during the week ending October 24th with a continuation of the urgent demand and scarce offerings of other recent weeks, according to the Federal-State Market News Service. With stocks in consuming areas reduced to the lowest levels in recent years and offerings from other bean producing areas well below average, dealers and canners were anxious to make large purchases of California beans for both nearby and future needs. Most orders, however, went unplaced. California shippers generally were unwilling to make any important sales until after receipt of beans from growers and reported that country marketings remained light despite rapid harvesting. Growers sold unusually large quantities in advance of harvest and were selling remaining supplies quite slowly. Shippers generally limited their sales to assorted and pooled cars for needs of long-established customers. Offerings of beans in bulk were especially light since trade reports indicate that an increased portion of this year's crop may be sold in small packages to take advantage of the higher mark-ups. Quotations to the trade held at maximum levels and shippers continued to bid growers full ceiling prices for cleaned beans. In some sections, bids for beans in the dirt and for seed purposes were materially higher than the cleaned basis.

Bright, warm weather accompanied by brisk winds provided almost ideal conditions for harvesting the new crop and good progress was reported in the principal California producing areas. Threshing was nearing completion in southern California producing areas, was estimated as about 90 percent finished in the Sacramento Valley, about 65 percent completed in central Coastal counties, and around 35 percent finished in the San Joaquin Valley. Because of favorable weather conditions during the week, growers in the San Joaquin Valley were expected to be able to save a large portion of the beans caught by early October rains.

United States supplies of dry beans for the 1945-46 crop year promise to be materially below last year and the previous ten-year average reflecting the small carry-over of old crop beans and the under average 1945 crop. On the basis of conditions at October 1st, supplies in terms of cleaned beans for the coming year promise to be around 14,636,000 bags. This compares with 19,332,000 bags last year, 22,935,000 bags two years back and average supplies of 17,426,000 bags during the ten-year period, 1934-35 to 1943-44. The carry-over of old crop beans at September 1st on the basis of cleaned beans apparently amounted to only 325,000 bags, including farm stocks of 70,000 bags, stocks in commercial storage in or near producing areas 537,000 bags and supplies owned by Government agencies in storage outside producing areas amounting to 218,000 bags. This is the smallest carry-over since 1929 and compares with 4,310,000 bags in the same positions last year, 3,581,000 two years back and 2,590,000 the ten-year average. Conditions at October 1st pointed to a crop of 14,850,000 bags of uncleaned beans which on the basis of an average clean-out of 7 percent would provide 13,811,000 bags of cleaned beans. The production of cleaned beans last year amounted to 15,022,000 bags, the record crop two years back totaled 19,354,000 bags and during the previous ten years the outturn of cleaned beans averaged 14,836,000 bags.

Scarcity of offerings and keen demand featured other domestic dry bean markets during the week under review. In Michigan, offerings were materially under average because of the disappointing 1945 crop and in other areas growers were reported as marketing remaining supplies quite slowly despite bids at full ceiling levels. Quotations to the trade also were at maximum prices but market supplies were far below the urgent demand. Shippers continued to quote U.S. CHP Pea Beans at \$6.25 per 100 f.o.b. Michigan and \$6.30 f.o.b. New York shipping points, U.S. No. 1 Pinto beans at \$6.30 f.o.b. Colorado and New Mexico, and U.S. No. 1 Great Northern beans at \$6.20 f.o.b. Idaho and Montana loading stations.

At San Francisco, all varieties were in keen demand at full ceiling prices. Distributors in important Southeastern, North Atlantic and Centralwestern consuming areas were anxious to make large purchases and indicated that their stocks were at the lowest levels in recent years. This reflected to a considerable extent the lack of any important offerings from California and other bean producing states for a number of months past. Shippers reported an urgent demand from canners who were turning more to California for their needs because of the small crop of Michigan Pea Beans. Puerto Rico also was in the market for additional large quantities of Pink beans. A large portion of orders from all sections, however, went unplaced. Most shippers reported they were withdrawn from the market or were limiting sales to long-established customers. Quotations to the trade were at the full ceilings established by the Office of Price Administration and were on the following basis: U.S. No. 1 Standard Lima \$8.40 per 100, U.S. No. 1 Baby Lima \$7.10, U.S. No. 1 Small White \$6.20, U.S. No. 1 Blackeye \$6.35, U.S. No. 1 Pink (Over)

\$6.40, U.S. No. 1 Cranberry \$6.75, U.S. No. 1 Red Kidney \$6.70, U.S. No. 1 Pinto \$6.30, U.S. No. 1 California Red \$6.20, and U.S. No. 1 Bayo \$6.00, all per 100, f.o.b. California shipping points.

At Los Angeles, demand for dry beans showed no slackening but trading was still restricted by lack of any important offerings. Southern California growers were reported as having largely completed harvesting of their 1945 crop beans but most supplies were being applied on previous sales or were being firmly held. Shippers generally were accepting orders only from long-established customers. Prices held firm at ceilings with shippers quoting U.S. No. 1 Standard Lima beans at \$8.40, U.S. No. 1 Baby Lima at \$7.10 and U.S. No. 1 Blackeye beans at \$6.35 per 100 f.o.b. country shipping points.

CALIFORNIA BEAN PRICES TO GROWERS AS OF OCTOBER 24, 1945

The market situation remained largely unchanged in the principal California bean producing sections with dealers actively competing for grower offerings but with trading restricted by small supplies. With unusually large portions of the crop sold in advance of harvest or committed to cooperative organizations, growers generally were selling remaining supplies quite slowly. Some lots were being withheld from the market until the 1946 income tax year and with 1945 crop beans supported, growers were inclined to await further developments before selling. Bids for cleaned beans were at the maximum levels established by the Office of Price Administration and relatively higher prices were being paid for beans in the dirt and for seed purposes than the cleaned basis. Bids for rain-damaged beans were unusually close to top qualities.

Trading in the Sacramento Valley was restricted to small lots mostly at the ceiling prices for recleaned beans. However, in the Sutter Basin trading was almost entirely in beans on an uncleaned basis. Harvesting was nearing completion in most parts of the Sacramento Valley with early October rains apparently causing negligible damage.

Harvesting was resumed in the San Joaquin Valley but with demand greatly in excess of supplies. Bids to growers for Baby Limas were firm at the established ceilings for cleaned beans. Some Baby Lima beans were damaged by recent rains but other lots were of good quality. Bids for Blackeyes threshed and stored before the October rains were mostly around \$7.00 to 7.10 f.o.b. cars for seed purposes. Occasional lots sold at slightly higher prices. Stocks of these qualities were reported as small and mostly firmly held by growers. Trading in Blackeyes harvested after the rains was still too light to establish accurate market values.

In southern California dealers were actively in the market for additional supplies but trading was restricted by limited offerings. Only small quantities of standard Limas were reported remaining in first hands. Dealers continued to offer to purchase beans "in the dirt" and were bidding relatively higher prices than the maximum levels for recleaned beans. Bids to growers for U.S. No. 1 standard Limas, recleaned, were on the basis of \$8.15 f.o.b. cars at country shipping points, U.S. No. 1 Baby Limas \$7.65, U.S. No. 1 Blackeyes \$6.10 per 100, same basis.

In contra California, bids to growers for cleaned beans were on the following basis: U.S. No. 1 Baby Lima \$7.65, U.S. No. 1 Blackeye \$6.10, U.S. No. 1 Pinto \$6.05, U.S. No. 1 Red Kidney \$8.30, U.S. No. 1 Small White, U.S. No. 1 Pink, U.S. No. 1 Small Red and U.S. No. 1 Cranberry all \$6.65 per 100 f.o.b. cars at country shipping points.

FRANK L. LYONS

In Charge

San Francisco Office

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